DATELINE: NEW YORK #132 NOVEMBER 24, 1976
ROBERT L. REDEEN/LSF

NEW YORK: LIVING WITH CRISIS
(VOICED PIECE, INSERTS IN TAPE LIBRARY)

ANNCR: DATELINE, NEW YORK, PICTURES IN SOUND, WORDS AND MUSIC OF PEOPLE, PLACES AND EVENTS IN AMERICA'S METROPOLIS. TODAY, A REPORT FROM VOA'S ROBERT L. REDEEN ON HOW NEW YORK CITY IS COPING WITH ITS FINANCIAL CRISIS. NEW YORK'S FINANCIAL PROBLEMS HAVE LED TO SOME RADICAL CHANGES IN THE WAY THE CITY IS GOVERNED. IT IS NOT JUST THE MAYOR WHO RUNS THE CITY TODAY. IN SOME WAYS, SO DOES THE GOVERNOR OF NEW YORK STATE AND THE CHAIRMAN OF A SPECIAL ORGANIZATION -- THE MUNICIPAL ASSISTANCE CORPORATION -- CREATED TO ASSIST NEW YORK'S SHAKY FINANCES. THE CHAIRMAN IS FELIX ROHATYN.

VOICE: IT'S NO SECRET THAT NEW YORK'S MAYOR -- A DEMOCRAT -- WAS GREATLY CHEERED BY THE ELECTION OF JIMMY CARTER. THE MAYOR SUPPORTED MISTER CARTER AND IS NOW LOOKING TO THE PRESIDENT-ELECT FOR HELP IN THE CITY'S FINANCIAL SITUATION. BUT FELIX ROHATYN -- WHO HEADS THE CITY'S FINANCIAL RESCUE AGENCY -- SAYS THE MAYOR AND HIS ASSOCIATES MAY BE CELEBRATING TOO EARLY.

TAPE: CUT ONE -- ROHATYN

"WELL, I CAN'T READ THEIR MINDS. I CAN SEE THEIR SMILES, THOUGH, AND I DO THINK THEY EXPECT A GOOD BIT WHICH I HAPPEN TO THINK IS PROBABLY A LITTLE OVER-OPTIMISTIC. I DO THINK WE'RE GOING TO HAVE A DIFFERENT ATTITUDE FROM THE FEDERAL GOVERNMENT. BUT WE'RE GOING TO HAVE TO SHOW THEM THAT WE'RE CONTINUING WHAT WE'VE BEEN DOING AND THAT THE ONLY THING I THINK WE CAN EXPECT OF THEM WILL BE THINGS LIKE MAYBE HELP IN RESTRUCTURING DEBT WHICH SHOULDN'T COST THE FEDERAL GOVERNMENT ANYTHING AND SOME POSSIBLE MOVES ON THE QUESTION OF INITIAL STEPS ON FEDERALIZING THE LOCAL SHARE OF WELFARE WHICH WILL TAKE SOME TIME."

VOICE: SOME FIFTY-THREE THOUSAND MUNICIPAL EMPLOYEES HAVE ALREADY BEEN DROPPED FROM NEW YORK CITY PAYROLLS DURING THE PAST YEAR TO SAVE MONEY. BUT THE CRISIS IS NOT YET OVER AS THE CITY TRIES TO END ITS CHRONIC BUDGET DEFICITS.

TAPE: CUT TWO -- ROHATYN

"THE MAIN PROBLEMS STILL TODAY ARE THE HEALTH AND HOSPITALS CORPORATION WHICH IS A MAJOR POTENTIAL PROBLEM AND THE TRANSIT AUTHORITY WHICH IS STILL RUNNING DEFICITS THAT HAVE TO BE CUT BACK AND I THINK THOSE ARE THE MAIN AREAS THAT WE'RE GOING TO BE CONCERNED ABOUT."

VOICE: MISTER ROHATYN -- A PARTNER IN AN INVESTMENT FIRM -- HAS TRIED TO BRING A BUSINESSMAN'S VIEWPOINT TO THE NEW YORK CITY GOVERNMENT. HE SAYS THAT THERE HAS BEEN A DEFINITE CHANGE IN THE OVERALL FINANCIAL CLIMATE.

TAPE: CUT THREE -- ROHATYN

"THE WORLD IN WHICH WE LIVED WAS A WORLD IN WHICH YOU COULD ALWAYS BORROW AND IF YOU COULDN'T BORROW YOU COULD ALWAYS TAX AND THERE WAS ALWAYS MONEY AROUND ... I THINK THAT WORLD HAS COME TO AN END. I THINK THAT POLITICIANS AT EVERY LEVEL OF SOCIETY NOW REALIZE THERE'S A LIMIT TO HOW MUCH YOU CAN TAX BECAUSE YOUR TAXPAYERS CAN RUN AWAY FROM YOU AND THAT THERE'S A LIMIT TO HOW MUCH YOU CAN BORROW AND WHEN YOU CAN DO NEITHER THEN MAYBE YOU HAVE TO WORRY ABOUT RUNNING YOUR OPERATION AS EFFICIENTLY AS POSSIBLE."

VOICE: FELIX ROHATYN, WHOSE NAME IS STILL NOT TOO FAMILIAR TO NEW YORKERS EVEN THOUGH HE BECAME CHAIRMAN OF THE MUNICIPAL ASSISTANCE CORPORATION A YEAR AGO, BELIEVES THAT THE CITY HAS UNDERGONE THE MOST DRAMATIC CHANGE OF ANY UNIT OF GOVERNMENT IN THE WORLD DURING THE LAST EIGHTEEN MONTHS.

TAPE: CUT FOUR -- ROHATYN

"I DON'T KNOW ANY UNIT OF EIGHT MILLION PEOPLE THAT HAS UNDERGONE THE KIND OF RETRENCHMENT, THE KIND OF AUSTERITY, THE KIND OF FISCAL BALANCING THAT THIS CITY HAS GONE THROUGH.

TAPE: (CONT'D) AND I THINK THAT IT CAN SERVE AS AN EXAMPLE FOR A LOT OF PEOPLE AND LOTS OF GOVERNMENTS HERE AND ABROAD AS TO WHAT CAN BE DONE."

VOICE: MISTER ROHATYN IS UNCERTAIN HOW FAR THE STANDARD OF LIVING IN A DEMOCRACY CAN BE REDUCED. HE CALLS IT A DIFFICULT QUESTION. A PRACTICAL MAN, HE SEES THE EUPHORIA FROM THE RECENT ELECTION RESULTS FADING AND REALITY TAKING OVER IN NEW YORK AS THE BUDGET FOR THE NEXT FISCAL YEAR IS ANNOUNCED AT THE END OF DECEMBER.

TAPE: CUT FIVE -- ROHATYN

"ONE OF THE REASONS THAT WE'VE BEEN IN SO MUCH TROUBLE AND THAT WE'RE SEEKING FEDERAL AID IS THAT WE DON'T GET OUR FAIR SHARE OF FEDERAL EXPENDITURES AND FEDERAL REVENUE SHARING AND WE HAVE MORE THAN OUR SHARE OF POVERTY AND THINGS THAT WE'RE SUPPORTING THAT REALLY ARE A FEDERAL FUNCTION."

VOICE: MISTER ROHATYN SEES A BRIGHT FUTURE FOR NEW YORK CITY BUT HE SAYS STRUCTURAL CHANGES ARE NEEDED IN THE CITY. HE URGES CHANGES IN THE CITY'S TAX POLICY, ITS ENERGY COSTS, AND IN THE AREAS OF JOBS, EDUCATION AND TRANSPORTATION.

TAPE: CUT SIX -- ROHATYN

"I THINK THIS IS THE GREATEST CITY IN THE WORLD AND I THINK THE ASSETS THE CITY HAS ARE JUST SPECTACULAR. THIS CITY IS, I THINK, GOING TO BECOME THE CAPITAL OF THE WORLD INTELLECTUALLY, CULTURALLY, FROM A POINT OF VIEW OF COMMUNICATIONS. WE HAVE SOME MAJOR STRUCTURAL PROBLEMS. WE CAN OVERCOME THOSE PROBLEMS AND I HAVE EVERY CONFIDENCE THAT TEN YEARS FROM NOW YOU'RE GOING TO FIND A CITY THAT IS JUST SPECTACULAR."

VOICE: FELIX ROHATYN HOPES TO FINISH HIS OWN JOB ON BEHALF OF NEW YORK IN THE NEXT YEAR AND A HALF.

ANNCR: YOU'VE BEEN LISTENING TO DATELINE, NEW YORK, PICTURES IN SOUND, WORDS AND MUSIC OF PEOPLE, PLACES AND EVENTS IN AMERICA'S METROPOLIS. JOIN US AGAIN NEXT --------- FOR ANOTHER DATELINE.

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